

SOUTH BURBANK CRIME PREVENTION  
AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2011

**SOUTH BURBANK CRIME PREVENTION  
AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
COMPONENT UNIT FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2011**

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**COMPONENT UNIT FINANCIAL STATEMENTS**

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*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

**INDEPENDENT AUDITORS' REPORT**

Board of Commissioners of the  
South Burbank Crime Prevention and  
Development District  
P. O. Box 174  
Baton Rouge, Louisiana 70810

We have audited the accompanying component unit financial statements of the governmental activities and the aggregate remaining fund information of the South Burbank Crime Prevention and Development District, a component unit of the City of Baton Rouge/East Baton Rouge Parish, as of and for the year ended December 31, 2011, which collectively comprise the South Burbank Crime Prevention and Development District's component unit financial statements as listed in the table of contents. These financial statements are the responsibility of the South Burbank Crime Prevention and Development District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the South Burbank Crime Prevention and Development District, a component unit of the City of Baton Rouge/East Baton Rouge Parish, as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2012, on our consideration of the South Burbank Crime Prevention and Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the component unit financial statements. Such information, although not a part of the component unit financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the component unit financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the component unit financial statements and other knowledge we obtained during our audit of the component unit financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA  
A Professional Accounting Corporation  
Baker, LA  
December 17, 2012

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**REQUIRED SUPPLEMENTAL INFORMATION**  
**(PART 1 OF 2)**

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**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

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Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34. Its purpose is to provide an overview of the financial activities of the District based on currently known facts, decisions and/or conditions.

## **OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION**

These financial statements are comprised of these components – (1) government-wide financial statements; (2) fund financial statements and (3) notes to the financial statements. There is also other supplementary information contained in this report provided for additional information as described in the accompanying independent auditors' report.

**Government-wide Financial Statements.** The government-wide financial statements present financial information for all activities of the District from an economic resource measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the District's overall financial status. They include a statement of net assets and statement of activities.

*Statement of Net Assets.* This statement presents information on all of the District's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or not.

*Statement of Activities.* This statement presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the District's financial reliance on general revenues. The government-wide financial statements can be found on pages 8-9 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one category of funds: governmental funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the District's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Governmental funds of the District include a general fund that is used to account for all accounts not required to be accounted for separately. The fund financial statements can be found on pages 11-12 of this report.

**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

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**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The index of the notes is found on page 14 with the actual notes beginning immediately afterwards.

**Other Information.** In addition to the component unit financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparisons following the notes. This schedule indicates the District's compliance with its adopted and final revised budgets.

**FINANCIAL ANALYSIS OF THE DISTRICT**

Net assets are an indicator of the District's financial position from year to year. A summary of net assets follows.

**SUMMARY OF NET ASSETS  
Governmental Activities**

|                     | <u>2011</u>       | <u>2010</u>       |
|---------------------|-------------------|-------------------|
| <b>Assets</b>       |                   |                   |
| Current assets      | \$ 356,879.45     | \$ 252,696.14     |
| <b>Liabilities</b>  |                   |                   |
| Current liabilities | <u>46,435.65</u>  | <u>35,580.00</u>  |
| <b>Net Assets</b>   |                   |                   |
| Restricted          | <u>310,443.80</u> | <u>217,116.14</u> |

A summary of changes in net assets is as follows:

**SUMMARY OF CHANGES IN NET ASSETS  
Governmental Activities**

|                                       | <u>2011</u>      | <u>2010</u>      |
|---------------------------------------|------------------|------------------|
| <b>Revenues</b>                       |                  |                  |
| Parcel fees                           | \$ 117,521.52    | \$ 99,562.22     |
| <b>Expenses</b>                       |                  |                  |
| General government                    | 26,768.84        | 86,421.48        |
| <b>Other Financing Sources (Uses)</b> |                  |                  |
| Interest earned                       | <u>2,394.98</u>  | <u>2,948.50</u>  |
| <b>Change in Fund Balances</b>        | <u>93,147.66</u> | <u>51,669.24</u> |



**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

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**BUDGETARY HIGHLIGHTS**

The District's parcel fees were \$6,523 more than anticipated or 6%. Interest income was \$1,445 more than budgeted. Expenditures were under budget by \$85,180. Together, these resulted in a positive variance in the change in fund balances of \$93,148.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital Assets:* The District has no capital assets.

*Long-Term Debt:* The District currently has no long-term debt.

**ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGET**

The District has plans to resume security patrols for the District in an effort to deter crime with the increased presence of security officers. It is also researching programs for youth activities in order to provide outlets for the children living in the area.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting South Burbank Crime Prevention and Development District, P. O. Box 174, Baton Rouge, Louisiana 70810.

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2011**

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ASSETS

|   |              |
|---|--------------|
| Cash and cash equivalents                 | \$ 295.69    |
| Cash and cash equivalents, held by others | 250,803.71   |
| Accounts receivable, net                  | 105,690.16   |
| Accrued interest receivable               | <u>89.89</u> |
| Total Assets                              | 356,879.45   |

LIABILITIES AND FUND BALANCES

Liabilities:

|                                    |                  |
|------------------------------------|------------------|
| Accounts payable                   | 25,500.00        |
| Due to other governmental agencies | <u>20,935.65</u> |
| Total Liabilities                  | <u>46,435.65</u> |

Net Assets:

|   |                          |
|---|--------------------------|
| Restricted for crime prevention/development | <u><u>310,443.80</u></u> |
|---|--------------------------|

See Accompanying Notes and Independent Auditors' Report

**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT**  
**OF EAST BATON ROUGE PARISH, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2011**

| <u>Functional/Programs</u>         | <u>Program Revenues</u> |                            |   |   | <u>Net Revenues (Expenses)</u> |
|------------------------------------|-------------------------|----------------------------|---|---|--------------------------------|
|                                    | <u>Expenses</u>         | <u>Charges for Service</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |                                |
| <b>Governmental Activities</b>     |                         |                            |   |   |                                |
| General government                 | \$ 3,250.00             | \$ -                       | \$ -                                      | \$ -                                    | \$ (3,250.00)                  |
| Intergovernmental                  | 23,518.84               | -                          | -   | -                                       | (23,518.84)                    |
| Total Governmental Activities      | 26,768.84               | -                          | -   | -                                       | (26,768.84)                    |
| <b>General Revenues</b>            |                         |                            |   |   |                                |
| Parcel fees                        |                         |                            |   |   | 117,521.52                     |
| Interest earnings                  |                         |                            |   |   | 2,394.98                       |
| Total General Revenues             |                         |                            |   |   | 119,916.50                     |
| Change in Net Assets               |                         |                            |   |   | 93,147.66                      |
| Net Assets, beginning, as adjusted |                         |                            |   |   | 217,296.14                     |
| Net Assets, ending                 |                         |                            |   |   | 310,443.80                     |

See Accompanying Notes and Independent Auditors' Report

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## **FUND FINANCIAL STATEMENTS**

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**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011**

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**ASSETS**

|   |                          |
|---|--------------------------|
| Cash and cash equivalents                 | \$ 295.69                |
| Cash and cash equivalents, held by others | 250,803.71               |
| Accounts receivable, net                  | 105,690.16               |
| Accrued interest receivable               | <u>89.89</u>             |
| Total Assets                              | <u><u>356,879.45</u></u> |

**LIABILITIES AND FUND BALANCES**

|   |                          |
|---|--------------------------|
| Liabilities:                                |                          |
| Accounts payable                            | 25,500.00                |
| Due to other governmental agencies          | <u>20,935.65</u>         |
| Total Liabilities                           | 46,435.65                |
| Fund Balances:                              |                          |
| Restricted for crime prevention/development | <u>310,443.80</u>        |
| Total Liabilities and Fund Balances         | <u><u>356,879.45</u></u> |

**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2011**

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REVENUES

|             |               |
|-------------|---------------|
| Parcel fees | \$ 117,521.52 |
|-------------|---------------|

EXPENDITURES

General government:

|                 |           |
|-----------------|-----------|
| Collection fees | 23,518.84 |
|-----------------|-----------|

|                   |                 |
|-------------------|-----------------|
| Professional fees | <u>3,250.00</u> |
|-------------------|-----------------|

|                    |                  |
|--------------------|------------------|
| Total Expenditures | <u>26,768.84</u> |
|--------------------|------------------|

|  |           |
|--|-----------|
| Change in Fund Balances Before<br>Other Financing Sources (Uses) | 90,752.68 |
|--|-----------|

OTHER FINANCING SOURCES (USES)

|                 |                 |
|-----------------|-----------------|
| Interest earned | <u>2,394.98</u> |
|-----------------|-----------------|

|                             |           |
|-----------------------------|-----------|
| Net Change in Fund Balances | 93,147.66 |
|-----------------------------|-----------|

|                          |            |
|--------------------------|------------|
| Fund Balances, beginning | 217,116.14 |
|--------------------------|------------|

|                              |               |
|------------------------------|---------------|
| Adjustments to prior periods | <u>180.00</u> |
|------------------------------|---------------|

|                       |                          |
|-----------------------|--------------------------|
| Fund Balances, ending | <u><u>310,443.80</u></u> |
|-----------------------|--------------------------|

See Accompanying Notes and Independent Auditors' Report

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## **NOTES TO FINANCIAL STATEMENTS**

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**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
INDEX TO NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

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**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

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**INTRODUCTION**

The South Burbank Crime Prevention and Development District (hereinafter referred to as the District), was created in 2004, by Louisiana Revised Statute 33:9097.2 as a political subdivision of the state as defined in the Constitution of Louisiana. It is governed by a board of commissioners consisting of eleven members appointed as follows: (1) four members by the board of directors of the GSRI Property Owners Association; (2) one member by the area's Louisiana Representative; (3) one member by the area's Louisiana Senator; (4) one member by the East Baton Rouge Parish assessor; (5) one member by any subdivision or condominium association recognized by the Greater Baton Rouge Federation of Civic Associations on a rotating basis in the event of multiple associations; (6) one member by the mayor-president; and (7) one member by the area's council member(s). The president of the GSRI Property Owners Association serves as an ex-officio member. All members are required to own property or be a registered voter within the District and at least two members must reside within the District's boundaries. They are not paid for their services nor reimbursed for their expenses.

The District was created to aid in crime prevention, eliminate blight and to increase security of residents by providing an increase in the presence of law enforcement personnel or contracted security personnel.

Funds are provided through the assessment of a parcel fee to which the authority to impose and collect such fees was given to the City of Baton Rouge/Parish of East Baton Rouge. The initial levy of the parcel fees expired after four years but was renewed for a period not to exceed four years.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation:** The accounting and reporting practice of the District conforms to governmental accounting principles generally accepted in the United States of America. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

**Financial Reporting Entity:** Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the City of Baton Rouge/East Baton Rouge Parish is the financial reporting entity for East Baton Rouge Parish. The District is considered a component unit of the City of Baton Rouge/East Baton Rouge Parish because it has the authority to impose and collect the only revenue source of the District and because the District's territory lies within the Parish of East Baton Rouge. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the City of Baton Rouge/East Baton Rouge Parish, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

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**Fund Accounting:** The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category: governmental. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Funds:** Governmental funds account for all or most of the District's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the District include:

1. General Fund – the primary operating fund that accounts for all activities not required to be reported in another fund.

**Basis of Accounting/Masurement Focus:** In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

**Budgets:** The District adopts an annual budget for its general fund, prepared in accordance with the basis of accounting utilized by that fund. It is published and made available for public inspection prior to the start of the fiscal year. Appropriations lapse at year-end. There were no amendments made to the budget during the year ended December 31, 2011.

**Cash and Cash Equivalents:** Cash includes amounts in demand and interest bearing demand deposits and money market savings. Cash equivalents include amounts in investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

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**Investments:** Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. The District did not have any investments at December 31, 2011.

**Inventory:** Inventory of the District includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

**Receivables:** Trade receivables are recorded at management's estimate of the amount that is expected to be collected. This is based in part on historical information and at December 31, 2011, and known facts from the subsequent period. Revenues become susceptible to accrual when they become both measurable and available.

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Capital Assets:** The District's policy for reporting assets is at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing assets. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows: equipment and furniture – 5-7 years. The District currently has no capital assets.

**Compensated Absences:** The District does not have any employees.

**Long-Term Obligations:** In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

**Program Revenues:** The statement of activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the District. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

**Indirect Expenses:** Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the District has chosen not to do so since there are no such expenses.

**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

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**Net Assets/Fund Balances:** In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

*Invested in Capital Assets, Net of Related Debt*

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

*Restricted Net Assets*

Net Assets that are reserved by external sources, such as banks or by law, are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

*Unrestricted Net Assets*

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the balance sheet of governmental funds, fund balances are segregated as follows:

*Non-spendable*

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

*Restricted*

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

*Committed*

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

*Assigned*

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

*Unassigned*

This category represents that portion of equity that is available for any purpose.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Deposits are stated at cost, which approximates market. Under state law, they must be secured by

**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

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federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

With the adoption of GASB Statement No. 40, only deposits considered exposed to custodial credit risk are required to be disclosed. The District has no deposits exposed to custodial credit risk. The cash and cash equivalents on hand (book balances) of governmental activities are as follows:

|  |                   |
|--|-------------------|
| Interest-bearing demand deposits                 | \$ 295.69         |
| Interest-bearing demand deposits, held by others | <u>250,803.71</u> |
| Total  | <u>251,099.40</u> |

Cash held by others is held by the City of Baton Rouge/East Baton Rouge Parish on behalf of the District. Access to these funds is at the approval of the City upon request.

**NOTE 3 – RECEIVABLES**

The net receivables at December 31, 2011, are as follows:

|                             |                   |
|-----------------------------|-------------------|
| <u>Class of Receivables</u> |                   |
| Parcel fees                 | \$ 105,690.16     |
| Interest                    | <u>89.89</u>      |
| Total                       | <u>105,780.05</u> |

**NOTE 4 – RESERVATIONS**

The funds generated by the District, as stipulated in La. R.S. 33:9097.2, are to be used to aid in crime prevention and blight elimination through education and increased presence of law enforcement. For this reason, the fund balances are restricted for this purpose.

|                               |                      |
|-------------------------------|----------------------|
| Fund balances restricted for: |                      |
| Crime prevention/development  | \$ <u>310,443.80</u> |

**NOTE 5 – ADJUSTMENTS TO PRIOR PERIODS**

The District had reported a trade payable in the amount of \$35,580 for security provided in 2009. There was a dispute over the actual services provided that was recently resolved. The amount agreed upon by both parties as payment is full (paid in 2012) was \$25,000. This overstatement of expenses in prior years created an increase in fund balances/net assets of \$10,580.

**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

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A newly-formed crime prevention district was created in 2009, for which parcel fees were collected by the District due to timing of the effective date and issuance of tax notices. An estimated amount was paid in 2010. The balance was recently determined to be \$10,400. This understatement of liabilities to other governmental agencies created a decrease in fund balances/net assets of \$10,400.

The net impact is as follows:

|  |               |
|--|---------------|
| Overstated trade payables                    | \$ 10,580.00  |
| Understated liabilities to other governments | (10,400.00)   |
| Net Adjustment                               | <u>180.00</u> |

**NOTE 6 – LEASES**

*Operating Leases.* The District does not have any leases.

*Capital Leases.* The District has no capital leases.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

There are no related party transactions that require disclosure in the accompanying basic financial statements.

**NOTE 8 – LITIGATION AND CLAIMS**

There is no litigation that would require disclosure in the accompanying basic financial statements.

**NOTE 9 – SUBSEQUENT EVENTS**

There were no events between the close of the year through issuance of this report that would materially impact these basic financial statements that have not already been recorded.

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**REQUIRED SUPPLEMENTAL INFORMATION**  
**(PART 2 OF 2)**

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**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2011**

|  | <u>Budgeted Amounts</u> |               | Actual<br>Amounts<br>(Budgetary<br>Basis) | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|---------------|---|---|
|  | <u>Original</u>         | <u>Final</u>  |   |   |
| <b><u>REVENUES</u></b>   |                         |               |   |   |
| Parcel fees  | \$ 110,999.00           | \$ 110,999.00 | \$ 117,521.52                             | \$ 6,522.52   |
| <b><u>EXPENDITURES</u></b>                                       |                         |               |   |   |
| General government:  |                         |               |   |   |
| Collection fees  | 30,000.00               | 30,000.00     | 23,518.84                                 | 6,481.16  |
| Professional fees  | 81,949.00               | 81,949.00     | 3,250.00                                  | 78,699.00   |
| Total Expenditures   | 111,949.00              | 111,949.00    | 26,768.84                                 | 85,180.16   |
| Change in Fund Balances Before<br>Other Financing Sources (Uses) | (950.00)                | (950.00)      | 90,752.68                                 | 91,702.68   |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                     |                         |               |   |   |
| Interest earned  | 950.00                  | 950.00        | 2,394.98                                  | 1,444.98  |
| Net Change in Fund Balances                                      | -                       | -             | 93,147.66                                 | 93,147.66   |
| Fund Balances, beginning, as adjusted                            | 217,296.14              | 217,296.14    | 217,296.14                                | -   |
| Fund Balances, ending  | 217,296.14              | 217,296.14    | 310,443.80                                | 93,147.66   |

See Independent Auditors' Report

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## **SUPPLEMENTARY INFORMATION**

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*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners of the  
South Burbank Crime Prevention and  
Development District  
P. O. Box 174  
Baton Rouge, Louisiana 70810

We have audited the financial statements of the governmental activities and the aggregate remaining fund information of the South Burbank Crime Prevention and Development District, a component unit of the City of Baton Rouge/East Baton Rouge Parish, as of and for the year ended December 31, 2011, which collectively comprise the South Burbank Crime Prevention and Development District's component unit financial statements and have issued our report thereon dated December 17, 2012. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the South Burbank Crime Prevention and Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and responses as 2011.01.

## Internal Control over Financial Reporting

In planning and performing our audit, we considered the South Burbank Crime Prevention and Development District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the South Burbank Crime Prevention and Development District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the South Burbank Crime Prevention and Development District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the East Baton Rouge Parish, the Legislative Auditor and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Mary Sue Stages, CPA,  
A Professional Accounting Corporation  
Baker, LA  
December 17, 2012

**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
SCHEUDLE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2011**

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We have audited the financial statements of the South Burbank Crime Prevention and Development District as of and for the year ended December 31, 2011, and have issued our report thereon dated December 17, 2012. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2011, resulted in an unqualified opinion.

**Section I      Summary of Auditor's Reports**

**A.    Report on Compliance and Internal Control Material to the Financial Statements**

|                  |                         |      |
|------------------|-------------------------|------|
| Compliance       | Material Weakness       | ■ No |
|                  | Control Deficiency(ies) | ■ No |
| Internal Control | Material Weakness       | ■ No |
|                  | Control Deficiency(ies) | ■ No |

**B.    Federal Awards**

N/A

**Section II      Financial Statement Findings**

2011-01      Compliance with Audit Law

*Criteria.* Louisiana Revised Statute 24:513 requires that an audited financial statement be submitted to the Legislative Auditor within six months of the close of an entity's fiscal year. This equates to June 30<sup>th</sup> for the District.

*Condition.* This deadline was not met for the year ended December 31, 2011.

*Impact.* The District is not in compliance with applicable laws.

*Recommendation.* We recommend that the District make every attempt to comply with this requirement in the future.

*Management's Response.* We will comply with this recommendation.

**Section III      Federal Award Findings and Questioned Costs**

N/A

**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED DECEMBER 31, 2011**

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**Section I      Internal Control and Compliance Material to the Financial Statements**

2010-01      Compliance with Audit Law

*Condition.* This deadline was not met for the year ended December 31, 2011.

*Recommendation.* We recommend that the District make every attempt to comply with this requirement in the future.

*Disposition.* Unresolved

2010-02      Compliance with Budget Act

*Condition.* Total revenues were under budgeted amounts by \$47,708 or 32%. The Budget Act requires that actual revenues and expenditures be within 5% of budgeted amounts.

*Recommendation.* We recommend that the Board consider the actual to budget comparison on a periodic basis but no less than quarterly. As a result of that review, necessary amendments should be considered.

*Disposition.* Resolved

**Section II      Compliance and Internal Control Material to Federal Awards**

N/A

**Section III      Management Letter**

N/A

**SOUTH BURBANK CRIME PREVENTION AND DEVELOPMENT DISTRICT  
OF EAST BATON ROUGE PARISH, LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 2011**

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**Section I      Compliance and Internal Control Material to the Financial Statements**

N/A

**Section II      Compliance and Internal Control Material to Federal Awards**

N/A

**Section III      Financial Statement Findings**

2011-01      Compliance with Audit Law

*Please refer to management's response in the schedule of findings and responses*